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Over \$1.5 billion to education

GOVERNOR Margaret Wood Hassan
CHAIRMAN Debra M. Douglas
COMMISSIONER Paul J. Holloway
COMMISSIONER Doug Scamman
EXECUTIVE DIRECTOR Charles R. McIntyre

May 7, 2014

The Honorable Mary Jane Wallner, Chairman
Fiscal Committee of the General Court
State House
Concord, NH 03301

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, NH 03301

REQUESTED ACTION

1. Pursuant to Chapter 143:4, Laws of 2013, authorization is requested of the Fiscal Committee for the New Hampshire Lottery Commission to purchase \$2,300,000 of instant gaming tickets and related services; effective upon Fiscal Committee approval for the period July 1, 2014 through June 30, 2015.

2. Also pursuant to Chapter 143:4, Laws of 2013, and contingent upon approval of Requested Action #1 above, authorization is requested of the Governor and Executive Council for the New Hampshire Lottery Commission to transfer \$2,300,000 from the Lottery Special Revenue Account for the purchase of instant gaming tickets and related services; effective upon Governor and Executive Council approval for the period July 1, 2014 through June 30, 2015.

Funds are to be budgeted in the accounting unit entitled, "Lottery Operating Costs" as follows, with the authority to adjust encumbrances across State Fiscal Years if needed and justified through the Budget Office:

From:06-083-083-8300-79010001-Instant Sweeps Program-RSRC: 402070-(\$2,300,000)
To:06-083-083-10290000-Lottery Operating Cost-Class 106 Good for Resale-\$2,300,000

Class	Revenue	FY15 Authorized	Requested Amount	Total Authorized
003	Sweepstakes Fund-Lottery	(7,884,471)	(2,300,000)	(10,184,471)



Live Free or Die

New Hampshire Lottery Commission 14 Integra Drive Concord, New Hampshire 03301
TEL 603.271.3391 FAX 603.271.1160 TDD 1.800.735.2964 www.nhlottery.com

Class	Description	FY15 Authorized	Requested Amount	Total Authorized
010	Personal Services-Perm. Classified	1,833,395		1,833,395
011	Personal Services-Unclassified	17,111	-	17,111
012	Personal Services-Unclassified 2	19,563	-	19,563
013	Personal Services-Unclassified 3	98,690	-	98,690
017	FT Employees Special Payments	60,000	-	60,000
018	Overtime	9,500	-	9,500
019	Holiday Pay	8,000	-	8,000
020	Current Expenses	665,375	-	665,375
022	Rents-Leases Other Than State	425,810	-	425,810
024	Maint.Other Than Build.- Grnds	16,200	-	16,200
026	Organizational Dues	18,000	-	18,000
027	Transfers To Oit	227,137	-	227,137
030	Equipment New/Replacement	78,731	-	78,731
035	Shared Services Support	58,837	-	58,837
040	Indirect Costs	125,000	-	125,000
046	Consultants	7,500	-	7,500
049	Transfer to Other State Agencies	14,716	-	14,716
050	Personal Service-Temp/Appointe	185,000	-	185,000
060	Benefits	1,278,492	-	1,278,492
062	Workers Compensation	1,000	-	1,000
064	Ret-Pension Bene-Health Ins	373,195	-	373,195
069	Promotional - Marketing Expenses	2,317,517	-	2,317,517
070	In-State Travel Reimbursement	3,700	-	3,700
080	Out-Of State Travel	18,000	-	18,000
103	Contracts for Op Services	24,001	-	24,001
106	Goods For Resale	1	2,300,000	2,300,001
	TOTAL	7,884,471	2,300,000	10,184,471

EXPLANATION

This \$2,300,000 transfer is needed for the purchase of instant gaming tickets and related services from Scientific Games International, Inc. The instant ticket sales account for approximately 70% of the Lottery's gross revenue. Attached are the prior submittals approved by the Fiscal Committee on September 13, 2013 (FIS-13-171) and by the Governor and Council on October 16, 2013 (item #90); and approved by the Fiscal Committee on June 18, 2012 (FIS-12-216) and by the Governor and Council on July 11, 2012 (item #92). We appreciate the Committee's continued support as the Lottery strives to maximize profit for Education.

Respectfully submitted,

Charles R. McIntyre
Executive Director

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Over \$1.5 billion to education

GOVERNOR Margaret Wood Hassan
CHAIRMAN Debra M. Douglas
COMMISSIONER Paul J. Holloway
COMMISSIONER Doug Scamman
EXECUTIVE DIRECTOR Charles R. McIntyre

August 28, 2013

The Honorable Mary Jane Wallner, Chairman
Fiscal Committee of the General Court
State House
Concord, NH 03301

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, NH 03301

REQUESTED ACTION

1. Pursuant to Chapter 143:4, Laws of 2013, authorization is requested of the Fiscal Committee for the New Hampshire Lottery Commission to purchase \$2,300,000 of instant gaming tickets and related services; effective upon Fiscal Committee approval through June 30, 2014.

2. Also pursuant to Chapter 143:4, Laws of 2013, and contingent upon approval of Requested Action #1 above, authorization is requested of the Governor and Executive Council for the New Hampshire Lottery Commission to transfer \$2,300,000 from the Lottery Special Revenue Account for the purchase of instant gaming tickets and related services; effective upon Governor and Executive Council approval through June 30, 2014.

Funds are to be budgeted in the accounting unit entitled, "Lottery Operating Costs" as follows, with the authority to adjust encumbrances across State Fiscal Years if needed and justified through the Budget Office:

From:06-083-083-8300-79010001-Instant Sweeps Program-RSRC: 402070- (\$2,300,000)
To:06-083-083-10290000-Lottery Operating Cost-Class 106 Good for Resale-\$2,300,000

Class	Revenue	FY14 Authorized plus FY13 Balance Forward	Requested Amount	Total Authorized
003	Sweepstakes Fund-Lottery	(9,926,589)	(2,300,000)	(12,226,589)

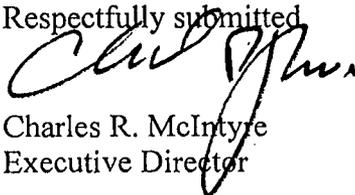


Class	Description	FY14 Authorized plus FY13 Balance Forward	Requested Amount	Total Authorized
010	Personal Services-Perm. Classi	1,774,322	-	1,774,322
011	Personal Services-Unclassified	17,111	-	17,111
012	Personal Services-Unclassified	19,563	-	19,563
013	Personal Services-Unclassified	98,691	-	98,691
017	FT Employees Special	60,000	-	60,000
018	Overtime	9,500	-	9,500
019	Holiday Pay	8,000	-	8,000
020	Current Expenses	1,164,258	-	1,164,258
022	Rents-Leases Other Than State	851,158	-	851,158
024	Maint.Other Than Build.- Grnds	32,400	-	32,400
026	Organizational Dues	36,000	-	36,000
027	Transfers To Oit	318,262	-	318,262
030	Equipment New/Replacement	215,351	-	215,351
035	Shared Services Support	58,837	-	58,837
040	Indirect Costs	115,000	-	115,000
046	Consultants	11,560	-	11,560
049	Transfer to Other State Agenci	12,300	-	12,300
050	Personal Service-Temp/Appoint	187,395	-	187,395
060	Benefits	1,190,876	-	1,190,876
062	Workers Compensation	1,000	-	1,000
064	Ret-Pension Bene-Health Ins	372,818	-	372,818
069	Promotional - Marketing Expens	3,296,326	-	3,296,326
070	In-State Travel Reimbursement	5,700	-	5,700
080	Out-Of State Travel	35,000	-	35,000
103	Contracts for Op Services	35,161	-	35,161
106	Goods For Resale	1	2,300,000	2,300,001
	TOTAL	9,926,589	2,300,000	12,226,589

EXPLANATION

This \$2,300,000 transfer is needed for the purchase of instant gaming tickets and related services from Scientific Games International, Inc. The instant ticket sales account for approximately 70% of the Lottery's gross revenue. Attached is the prior submittal approved by the Fiscal Committee on June 18, 2012 (FIS-12-216) and by the Governor and Council on July 11, 2012 (item #92). We appreciate the Committee's continued support as the Lottery strives to maximize profit for Education.

Respectfully submitted,



Charles R. McIntyre
Executive Director



GOVERNOR John H. Lynch
 CHAIRMAN Debra M. Douglas
 COMMISSIONER Paul J. Holloway
 COMMISSIONER Doug Scamman
 EXECUTIVE DIRECTOR Charles R. McIntyre

May 22, 2012

The Honorable Ken Weyler, Chairman
 Fiscal Committee of the General Court
 and
 His Excellency, Governor John H. Lynch
 and the Honorable Council
 State House
 Concord, New Hampshire 03301

REQUESTED ACTION

- (1) Pursuant to Chapter 223:4, Laws of 2011, authorize the New Hampshire Lottery Commission to transfer \$2,300,000 from the Lottery Special Revenue Account for the purchase of instant gaming tickets and related services. If approved, funds are to be budgeted as follows:

	FY 2013
From: 06-083-083-8300-79010001-402070 (Lottery Revenue Account)	(\$2,300,000)
To: 06-083-083-10290000 Class 106 Goods for Resale	\$2,300,000

- (2) The New Hampshire Lottery Commission requests authorization from the Governor and Executive Council to enter into a three (3) year contract, with one (1) two (2) year renewal option, for instant ticket printing and related services with Scientific Games International, Inc. of Alpharetta, Georgia (vendor number 175862) from July 1, 2012 to June 30, 2015 in an amount not to exceed \$6,900,000.

Funding for FY 2013 in the amount of \$2,300,000 is available from account number 06-083-083-10290000 subject to number (1) above.

Funding for FY 2014 in the amount of \$2,300,000 will be available from account number 06-083-083-10290000 subject to legislative approval of the next biennial budget.

Funding for FY 2015 in the amount of \$2,300,000 will be available from account number 06-083-083-10290000 subject to legislative approval of the next biennial budget.

EXPLANATION

This Commission issued a Request for Proposal (RFP) in January, 2012, soliciting bids for the purchase of instant tickets and related services for a period of three years, with one (1) two year renewal option at the pricing set forth in the attached agreement. In addition to Scientific Games International, Inc., proposals were received from two



The Honorable Ken Weyler, Chairman
Fiscal Committee of the General Court
And
His Excellency, Governor John H. Lynch
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May 22, 2012
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other companies and the selected bid was the lowest, submitted by Scientific Games International, Inc. Under the terms of the RFP, one of the proposals from Pollard Banknote Ltd. was deemed to be unresponsive as the company did not submit the required sample tickets for testing; this company's Price Proposal was returned, unopened.

An Evaluation Committee was established to review the proposals, to ensure compliance with the RFP, to inspect and test sample tickets and to analyze the price proposals. The Committee comprised the following Lottery staff:

Charles R. McIntyre, Executive Director; Maura A. McCann, Marketing Director; Robert H. Preston, Games Manager; Cynthia B. Murphy, Sales Supervisor.

The Committee determined each vendor's ticket price using the Lottery's instant ticket sales data for FY 2011. Using this data, we reviewed each vendor's price proposal against the sales data to project pricing from the two vendors. From the FY 2011 sales data, the results are as follows:

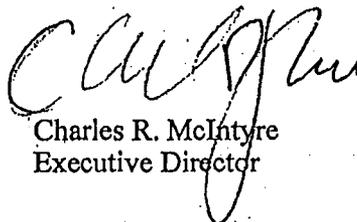
Scientific Games International	\$1,574,938.00 (Based on FY 2011 sales)
GTECH Printing Corporation	\$3,056,463.00 (Based on FY 2011 sales)

We request the maximum payment amount of \$2,300,000 for Fiscal Year 2013. This was calculated using the expected number of tickets to be printed, plus anticipated costs for available options.

The Evaluation Committee was unanimous in its decision to recommend Scientific Games International for approval as the selected vendor.

The New Hampshire Lottery Commission respectfully requests approval of the contract to purchase instant ticket printing and related services from the low bidder, Scientific Games International, Inc.

Respectfully submitted,



Charles R. McIntyre
Executive Director

CM:dc

Subject:

Instant ticket contract services

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name New Hampshire Lottery Commission		1.2 State Agency Address 14 Integra Drive, Concord, NH 03301	
1.3 Contractor Name Scientific Games International, Inc.		1.4 Contractor Address 1500 Bluegrass Lakes Parkway, Alpharetta, GA 30004	
1.5 Contractor Phone Number 770-664-3700	1.6 Account Number 79010001-500858	1.7 Completion Date June 30, 2015	1.8 Price Limitation \$6,900,000
1.9 Contracting Officer for State Agency Charles R. McIntyre, Executive Director		1.10 State Agency Telephone Number 603-271-3391	
1.11 Contractor Signature <i>J. Trask</i>		1.12 Name and Title of Contractor Signatory James B. Trask, Senior Vice President & President of Printed Products	

13 Acknowledgement: State of GA, County of Gwinnett
5/21/2012, before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.

13.1 Signature of Notary Public or Justice of the Peace
S. E. COOPER
NOTARY PUBLIC
GWINNETT COUNTY, GEORGIA
MY COMMISSION EXPIRES
 [Seal] **1/02/2015**
[Signature]

13.2 Name and Title of Notary or Justice of the Peace
Susan E. Cooper, Notary, Paralegal

14 State Agency Signature <i>Charles R. McIntyre</i>	1.15 Name and Title of State Agency Signatory Charles R. McIntyre, Executive Director
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16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable)
 By: _____ Director, On: _____

17 Approval by the Attorney General (Form, Substance and Execution)
 By: *Rosemary* On: *5-22-12*

18 Approval by the Governor and Executive Council
 By: *[Signature]* **DEPUTY SECRETARY OF STATE** JUL 11 2012